Impact of Sail Package on IISCO

1160. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned ""SAIL gets Rs. 8454 crore package", published in "Business Standard', dated 16.2.2000;

(b) if so, the details thereof;

(c) the impact of package in IISCO, its revival and modernisation; and

(d) the road map and details thereof contemplated by Government?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) Yes, Sir.

(b) The details of financial and business restructuring package for SAIL approved by the Government are as under:

(i) Financial restructuring of SAIL by waiving of loans advanced to it from Steel Development Fund to a value of Rs 5073 crore and Rs. 381 crore from the Govt, of India.

(ii) Provision of Government guarantees with 50% interest subsidy for loan and interest thereon of Rs. 1500 crore to be raised by SAIL from the market to finance reduction in manpower through Voluntary Retirement .Scheme.

(iii) Provision of Government guarantee for loan and interest thereon Rs. 1500 crore to be raised by SAIL from the market priminarily of meeting repayment obligation on past loans during 1999-2000.

(iv) To initiate the process of disinvestment of following non-crore assets while protecting jobs of existing employees

— Power Plants at Bokaro Durgapur and Rourkela

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— 2x60 MW Captive power power plant-II at Rourkela Steel Plant and the Central Power Training Institute at Rourkela 2x50 MW Captive power plant-II at Durgapur Steel Plant

— 122 MW (2x55 MW 12 MW back pressure turbine) Captive Power Plant-I. 3x60 MW Captive Power Plant-II and steam generating capacity to 660 MT/hour at Bokaro Steel Plant

— Oxygen Plant-II of Bhilai Steel Plant

— Salem Steel Plant (SSP), Salem

— Alloy Steel Plant (ASP), Durgapur

— Visvesvaraya Iron & Steel Plant (VISL), Bhadravati

— Fertiliser Plant at Rourkela

(v) Allowing SAIL to have a minority shareholding in any joint venture contemplated for revival of Indian Iron and Steel Compay (IISCO).

(c) Waiver of loans to SAIL wold in turn enable the company to write off the loan to IISCO to wipe out its accumulated losses to the extent of Rs. 1913 crores, resulting in the improvement of the financial health of IISCO, which would facilitate early revival/ modernisation by formation of a Joint Venture.

(d) An action plan for conversion of IISCO into a Joint Venture has not yet been finalised.

Restructuring Package for SAIL

1161. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned ""SAIL gets Rs. 8454 crore package", published in Business Standard; dated 16.2.2000;

(b) if so, the details thereof;

(c) whether the loan waiver granted to SAIL from the Steel Development Fund be legally tenable in view of the case filed by Ispat industries;

(d) whether the package will involve the sale of Alloy Steel Plant and Salem Steel Plant; and

(e) if so, whether any evaluation of these assets have been made, and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) Yes, Sir.

(b) and (d) The details of financial and business restructuring package for SAIL approved by the Government are as under: